
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 1.28.2010

Wall Street Journal: "Banks See Ways Past Pay Limits ... Despite their tough talk about clamping down on pay, banks and securities firms are using other financial perks to ease the toll on employees."

Wall Street Journal: "Geithner Defends Big AIG Payouts ... Treasury Secretary Timothy Geithner batted back an assault from U.S. lawmakers Wednesday over the bailout of American International Group Inc., saying he took "full responsibility, and great pride" in his decisions, including a controversial one to pay banks in full on contracts they had with the insurer."

Wall Street Journal: "More Upbeat Fed Keeps Rates Low ... The Federal Reserve offered a slightly rosier economic outlook and reaffirmed it would stop buying mortgages in March, on the eve of the Senate vote Thursday on Ben Bernanke's nomination for a second term as Fed chairman."

Wall Street Journal: "SEC: More Changes for Money-Market Funds ... Money-market funds could be forced to pay out less interest under new federal rules designed to make them sturdier."

Wall Street Journal: "The Latest AIG Story ... Will regulators ever coherently explain why AIG could not be allowed to go bankrupt in September of 2008?"

Wall Street Journal: "Accounting for Fannie ... The Congressional Budget Office has lopped \$20 billion off its estimate of

the cost of keeping Fannie Mae and Freddie Mac afloat for the next decade-to a mere \$79 billion."

Wall Street Journal: "The Fed's Anti-Inflation Exit Strategy Will Fail ... Federal Reserve Chairman Ben Bernanke has explained his exit strategy to prevent future inflation."

Washington Post: "Federal Reserve leaves key interest rate unchanged ... The Federal Reserve left its target interest rate near zero and will continue winding down its unconventional programs, the central bank said Wednesday -- though there were new signs of internal disagreement about how much longer to continue its extreme efforts to support the economy."

Washington Post: "Treasury Secretary Geithner defends handling of AIG rescue ... Treasury Secretary Timothy F. Geithner pushed back Wednesday against lawmakers upset about his role in rescuing American International Group and defended decisions that allowed the company's trading partners on Wall Street and abroad to walk away with billions in taxpayer dollars as a result of that bailout."

NY Times: "Drawing Fire, Geithner Backs Rescue of A.I.G. ... Timothy F. Geithner, the Treasury secretary, defended the bailout of the American International Group again on Wednesday to a group of representatives who would not buy his explanations."

NY Times: "S.E.C. Adds Climate Risk to Disclosure List ... The Securities and Exchange Commission said on Wednesday for the first time that public companies should warn investors of any serious risks that global warming might pose to their businesses."

NY Times: "The Fed's Best Man ... A SENATE vote on President Obama's nomination of Ben Bernanke for a second four-year term as chairman of the Federal Reserve is imminent."

NY Times: "For Wall Street, Tough Talk, but Weak Reforms ... You'll get no argument here that President Obama was absolutely correct in saying in the State of the Union message that Wall Street needs to be held accountable for its bad behavior - as we all do, frankly - and that any near-term Wall Street reform legislation must figure out how to do precisely that."

LA Times: "Geithner defends AIG bailout at House hearing ... Treasury Secretary Timothy F. Geithner took a political beating Wednesday for his role in the controversial bailout of American International Group Inc., but he didn't waver in defending the actions he and other government officials took to rescue the insurance giant."

LA Times: "Fed keeps key interest rates steady despite board member's disapproval ... As Federal Reserve Chairman Ben S. Bernanke appeared to gain enough backing for confirmation to a second term, the central bank offered a more upbeat assessment of the economy than it did last month but still affirmed a pledge to keep interest rates near zero for "an extended period.""

USA Today: "Geithner: 'No role' in decisions about AIG bailout secrecy ... Treasury Secretary Timothy Geithner, facing bipartisan outrage, defended the government's \$180 billion bailout of American International Group before an often-hostile congressional committee Wednesday."

Washington Times: "Fed nods to Hill's economy concerns ... The Federal Reserve acknowledged concerns on Capitol Hill about consumers who are out of jobs and short on credit, saying Wednesday that it may continue programs to support mortgages, small businesses and consumers loans this year if financial conditions don't improve."

Bloomberg: "Fed Lays Ground for End to Stimulus With Recovery Declaration ... The Federal Reserve panel in charge of interest rates declared for the first time the U.S. economy is in "recovery" and took several steps to prepare investors for the removal of aggressive monetary stimulus."

The Hill: "Geithner takes lashing from Democrats and Republicans at AIG hearing ... Treasury Secretary Timothy Geithner endured a public lashing on Capitol Hill Wednesday, with some of the fiercest criticism coming from Democrats."